

**NORTHEAST TRI COUNTY HEALTH DISTRICT**  
**Stevens County, Washington**  
**January 1, 1995 Through December 31, 1995**

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**Schedule Of Findings**

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1. The District Should Improve The Cash Receipting Internal Control System

During our audit of the district's cash receipting internal control system, which collected in excess of \$350,000 during 1995, we noted the following internal control system weaknesses:

- a. Funds are not deposited with the county treasurer within 24 hours of receipt, as required. All district offices deposit their funds on a weekly basis.
- b. The district does not consistently note the mode of payment (cash or check) on its receipts. As a result, it is not possible to determine if all receipts were deposited intact.
- c. The district does not consistently issue cash receipts for payments received. As a result, the district has not established adequate accountability over all moneys received.
- d. The district does not independently reconcile the money deposited with the cash receipts issued. As a result, the district is unable to ensure that all moneys received were deposited for the public's benefit.

RCW 43.09.240 states in part:

Every public officer and employee, whose duty it is to collect or receive payments due or for the use of the public shall deposit such moneys collected or received by him or her with the treasurer of the local government once every twenty-four consecutive hours.

The lack of adequate internal controls over the cash receipting system exposes the district to theft which may not be detected in a timely manner, if at all. As a result, the district is unable to verify that all funds collected were actually deposited for the benefit of the public.

The district's management has not implemented a strong cash receipting internal control system.

We recommend the district establish written policies and procedures over the cash receipting system. This should include but is not limited to:

- a. Making daily deposits for all moneys received.

- b. Recording the mode of payment on each receipt (check and cash) to ensure that receipts are deposited intact.
- c. Issuing receipts for all moneys collected.
- d. Independently reconciling cash deposited to the cash receipts.